



## **Testimony in Opposition to HB 3962 A**

Submitted by Deanna Palm, President and CEO, Washington County Chamber of Commerce

To: Senate Committee on Finance and Revenue

Date: June 24, 2025

Chair Meek and Members of the Committee,

On behalf of the Washington County Chamber of Commerce, I respectfully submit our strong opposition to House Bill 3962 A.

This bill would significantly reduce the portion of local Transient Lodging Tax (TLT) revenue dedicated to tourism promotion. Under current law, at least 70 percent of TLT funds from new or increased taxes must be used for tourism promotion, with no more than 30 percent directed to general government services. HB 3962 would reverse that formula for any local TLT enacted after 2003, allowing up to 60 percent to be used for general government purposes and only 40 percent for tourism promotion.

This is not a modernization of policy—it is a reallocation that weakens the core purpose of the TLT. The funds collected through this tax are intended to promote and grow tourism, which in turn drives economic activity and supports small businesses. Diluting the commitment to tourism promotion not only threatens future visitation, it undermines the businesses and workers who depend on this sector for their livelihoods.

Tourism is a vital economic engine for Washington County. Our hotels, restaurants, and attractions rely on robust investment in marketing to attract visitors, increase overnight stays, and generate spending in our communities. Once TLT funds are redirected to general use, they are unlikely to be restored. We cannot afford to compromise the very efforts that generate this revenue.

We urge the Committee to protect the original intent of the Transient Lodging Tax and reject HB 3962 A.

Thank you for your time and consideration.

Respectfully submitted,

**Deanna Palm**

President and CEO

Washington County Chamber of Commerce

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